Punjab Government Gazette

EXTRAORDINARY

Published by Authority

CHANDIGARH, FRIDAY, JULY 24, 2026 (SRAVANA 2, 1948 SAKA)

GOVERNMENT OF PUNJAB

DEPARTMENT OF LOCAL GOVERNMENT, PUNJAB

(Local Government-4 Branch)

Punjab Municipal Bhawan, Sector-35A, Chandigarh

NOTIFICATION

The 23rd July, 2026

No.05/83/2025-1LG4/1451870.-

Performance Based Grants for Municipal Corporations

Notification no. 05/83/2025-1LG4/1404 dated 19.12.2025 concerning ***Building Fiscal and Service Institutional Resilience (BFAIR) project*** already stands issued wherein designing and piloting the Performance Based Grants System (PBGS) for 13 Municipal Corporations (MCs) in Punjab to provide financial incentives in the form of untied performance grants linked to measurable improvements in service delivery and governance outcomes has been undertaken.

Recently, Municipal Council, Barnala has been upgraded to Municipal Corporation. PBGS notification issued earlier was for then existing 13 Municipal Corporations. Therefore, Barnala is hereby being included as 14th MC for H2- 2025-26 and onwards.

For PBGS, the 13 MCs were categorized into two parts: (a) million plus cities (3 MCs fall under this category) and (b) non-million plus cities (10 MCs fall under this category). Barnala shall be included in category (b) non-million plus cities.

Municipal Corporation, Barnala shall be assessed in similar methodology as earlier 13 MCs were assessed. Thus, inclusion of a ULB in to the existing PBGS will not require modification of the existing guidelines.

The guidelines earlier issued shall remain the same.

GHANSHYAM THORI, IAS
Administrative Secretary to Government of Punjab
Department of Local Government

The 11th July, 2026

3782/7-2026/Pb. Govt. Press, S.A.S. Nagar